



Economic Impact Analysis Virginia Department of Planning and Budget

9 VAC 20-80; 101; 81 – Virginia Solid Waste Management Regulations
Department of Environmental Quality
January 23, 2009

Summary of the Proposed Amendments to Regulation

Virginia Waste Management Board proposes to 1) no longer necessitate a full permit application for changes made to the operations manual of a solid waste facility, 2) remove the composting facility capacity limit for a full permit and to allow them to obtain a permit by rule, 3) to reduce the number of permit modifications considered major, 4) to create a new facility type for permitting purposes, 5) to remove the Phase I groundwater monitoring, 6) to change the adoption of alternate concentration limit from a variance procedure to an approval procedure, and 7) to format, reorganize, and edit in order to improve clarity and streamline the flow of language.

Result of Analysis

The benefits likely exceed the costs for all proposed changes.

Estimated Economic Impact

One of the proposed changes will no longer necessitate a full permit application for changes made to the operations manual of a solid waste facility. Currently, when a facility makes a change to its operations manual, it must do that by going through the permit process as the operations manual is currently considered to be a part of the permit. Under the proposed changes, a facility will be able to change their operations manual without triggering a permit process. This will save Department of Environmental Quality (DEQ) administrative resources that would have otherwise spent on reviewing the change. It will also save facility owners the application fees, and consultant fees involved in the permit review process. In 2008, most of the 15 major amendment applications were related to operations manual changes and of the 54 minor

amendments, 14 were related to operations manual revisions. The current major amendment fee is \$7,050.

Another proposed change will affect how composting facilities are regulated . Currently any composting facility with capacity over 700 tons per quarter has to get a full permit from DEQ. Under the proposed changes, the cap will be removed and these facilities will be allowed to obtain a permit by rule as long as they fulfill the necessary criteria. This will save facilities the expenses that would have otherwise been required to obtain permits. The fee for a compost full permit is \$12,670 which is considerable higher than the \$390 permit by rule fee. It takes approximately 18 to 24 months to obtain a full permit while it takes about 30 days to obtain a permit by rule. The application costs could be more than \$200,000 for a full permit while permit by rule application may cost about \$50,000 to \$100,000. Also, removal of the need for a full permit is expected to encourage the amount of wastes composted in Virginia.

Another proposed change will reduce the number of modifications considered major from an estimated 30 types to 13 types. DEQ evaluated what is a major environmental impact and what is not when revising the criteria to categorize what would be considered as a major modification. This is expected to reduce the number of major modification applications and evaluations in a given year and save money and resources to both the regulated facilities and DEQ. The current major amendment fee is \$7,050.

Another proposed change will create a new facility type for permitting purposes. The new type of facilities is Centralized Waste Treatment Facilities. Currently some facilities dealing with industrial sludge are regulated as materials recovery facilities, but the DEQ reports issues for regulating them under materials recovery facilities regulations. To address the issues a new facility type is proposed with a set of more appropriate requirements that would apply to them.

Another change will remove the Phase I groundwater monitoring. Currently, landfills are required to collect groundwater samples for monitoring periodically. In phase I, a testing for indicators for pollutants is performed. If a limit is exceeded in Phase I, Phase II testing is performed where the testing is performed to detect specific pollutants themselves not the indicators. According to DEQ, the performance of Phase I indicators is poor and causing many false positives and triggering a Phase II testing. The proposed regulations will remove the Phase I testing and require facilities to test for the pollutants directly. This is expected to save the costs

involved in Phase I testing as in almost all cases Phase I results lead to Phase II testing. DEQ estimates that only 12 landfills out of 239 are currently doing only Phase I testing. While the testing costs of these 12 facilities will likely increase, approximately five of them will be eligible to request a reduced constituent list which will somewhat mitigate any potential increase in their compliance costs. In addition, three of the 12 are in the process of terminating post closure care and will likely no longer be monitoring groundwater by the time the proposed regulations are effective.

Another proposed regulation will change the adoption of alternate concentration limit from a variance procedure to an approval procedure. Under the current regulations, alternate concentration limits for constituents for which there is no federal maximum concentration limit are established through a variance procedure. Under the proposed regulations, alternate concentration limits will be established through an approval process. Also, the proposed regulations will provide a pre approved alternate liner system in order to eliminate the variance process for those alternate liners which are routinely approved. These changes are expected to provide some savings in administrative resources to both facility owners and DEQ.

All of the remaining changes are mainly formatting, reorganization, and editorial changes and are not expected to create any significant economics effect other than providing some small savings in terms of making it easier to follow and understand the regulations and possibly reducing communication costs.

Businesses and Entities Affected

The proposed regulations apply to solid waste facilities. Approximately 222 landfills are regulated. Of these approximately 130 are municipal or county government owned and the rest are owned by private corporations. Less than 40 facilities are estimated to be small businesses.

Localities Particularly Affected

The proposed regulations apply throughout the Commonwealth.

Projected Impact on Employment

The proposed regulations in general are expected to reduce administrative burden on regulators as well as on DEQ which may reduce the demand for labor. However, the affected

entities may use their savings in administrative resources and increase their demand for labor elsewhere.

Effects on the Use and Value of Private Property

The proposed regulations are expected to have a positive impact on the asset value of private businesses as they are expected to experience a reduction in their administrative compliance costs and improve their profits.

Small Businesses: Costs and Other Effects

The proposed regulations are expected to provide over all cost savings rather than increasing costs.

Small Businesses: Alternative Method that Minimizes Adverse Impact

The proposed regulations are not expected to have overall adverse impact on small businesses.

Real Estate Development Costs

No significant effect on real estate development costs is expected.

Legal Mandate

The Department of Planning and Budget (DPB) has analyzed the economic impact of this proposed regulation in accordance with Section 2.2-4007.H of the Administrative Process Act and Executive Order Number 36 (06). Section 2.2-4007.H requires that such economic impact analyses include, but need not be limited to, the projected number of businesses or other entities to whom the regulation would apply, the identity of any localities and types of businesses or other entities particularly affected, the projected number of persons and employment positions to be affected, the projected costs to affected businesses or entities to implement or comply with the regulation, and the impact on the use and value of private property. Further, if the proposed regulation has adverse effect on small businesses, Section 2.2-4007.H requires that such economic impact analyses include (i) an identification and estimate of the number of small businesses subject to the regulation; (ii) the projected reporting, recordkeeping, and other administrative costs required for small businesses to comply with the regulation, including the type of professional skills necessary for preparing required reports and other documents; (iii) a statement of the probable effect of the regulation on affected small businesses; and (iv) a

description of any less intrusive or less costly alternative methods of achieving the purpose of the regulation. The analysis presented above represents DPB's best estimate of these economic impacts.